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A LETTER FROM ALBERTA

A word on freer trade

Dear Readers:

"EXPORT OR DIE!" was the theme of a successful series of seminars, sponsored by Western Economic Diversification Canada, held in centres throughout the Province of Alberta. However, import-export jargon is outdated and too restrictive. It does not adequately reflect the mind set required to succeed in these changing times. International trade is giving way to global business. A more appropriate slogan for Alberta companies is "THINK GLOBAL, GO GLOBAL!"

In a recent report "Global Strategies for Alberta Companies" I discuss a convergence of the following major forces which present significant challenges and opportunities. The manner in which we respond to this paradigm shift will not only determine how our companies conduct business, but in fact whether they will survive.

CONSUMERS DRIVE GLOBAL COMPETITION: A process of political disintegration and economic integration has accelerated the emergence of the "global village". As Alberta companies have been servicing the highest living standards, excellent opportunities exist to provide for the consumer tastes and life styles of the emerging global village. Alberta firms, large and small, are well positioned to provide infrastructure and knowledge, and to service consumer niche markets in developing countries racing to enhance their standard of living.

GLOBAL FIRMS SOURCE INTERNATIONALLY: Successful global companies source goods and services world-wide to provide low cost, high quality products.

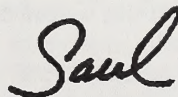
Protected markets and preferential treatment are of the past. Alberta companies must go global to compete and gain the advantages sought by their competitors. International business is no longer something that is done exclusively by major corporations, mid-sized companies must also become multi-national.

TRADING BLOCS CREATE OPPORTUNITIES: The emergence of large trading blocs may appear as barriers to businesses outside the bloc. But, paradoxically, the harmonization of standards, laws and regulations are beneficial to businesses which can successfully enter the bloc. So strategies developed to penetrate these trade regions can create opportunities for aggressive Alberta companies.

Convergence of these forces requires Alberta companies to commit to a process of re-evaluating business strategies. Those who correctly interpret shifts and adopt new strategies to capitalize on the global opportunities will prosper. Failure to adjust will result in a critical disadvantage.

Alberta companies possess a world-wide reputation as reliable and sophisticated trading partners. Our challenge is to convince Alberta businesses to participate in the process of globalization.

The time to act is now!



Saul Katz, LL.L, LL.B
President of Glomar Management Inc., Trade Consultants,
Fax: (403) 451-3788
Vice President and General Counsel, Triple Five Corp.
Chairman, Canada/Japan Business Association

Globalization and Canada's Constitution

Are Canadians missing the call to compete?

As Canadians celebrate the 125th Anniversary of the founding of our nation, we find ourselves in the midst of immense change. The world is rapidly becoming a much smaller and more intimate place, although paradoxically, a more competitive and demanding one. At the same time, the Canadian constitutional debate has reached a crisis point where major decisions affecting the fundamental way we manage our country have to be resolved. But, in making these decisions we must consider issues beyond simply how to split up legislative powers amongst ourselves. Instead we should ask what constitution does Canada need in place to ensure a prosperous, dynamic and independent future over the next 125 years.

Globalization

Globalization is the catchword used to describe the new era of highly integrated multi-international trade and cultural relationships. Advances in telecommunications, transportation and information technologies have reduced the time and financial cost of distance. Any major centre can be contacted instantaneously and large parts of the globe are easily accessible. Information, innovation and investment flow effortlessly around the world. Air, ocean and land transportation are fast, reliable and relatively inexpensive. In many cases, national barriers and regulations have become redundant, either to be dropped or to become impediments to development.

To meet the new demands, nations must be outward looking. They must be prepared to develop complex international relationships and to cooperate with other countries to harmonize standards and regulations that affect global issues such as the environment and financial transactions.

For Canada, the globalized world tells us that we can no longer depend on our traditional industries, markets or trading relations. The economy cannot be isolated and protected, nor can we afford to be inward looking. Internal organization, policies and practices must encourage efficient socio-economic systems. Canadians must be willing and able to take advantage of emerging global opportunities.

The Constitution

In a federated society like Canada, internal management of the nation is shared between the provinces and the federal government. Our constitution defines the distribution of these powers and sets the principles for management of the society. Just how the system works will determine how well Canadians will be able to adjust to the effects of globalization.

Our original constitution was the British North America Act, an Act of the British Parliament. It recognized that global political, cultural and economic relationships were changing. The existing colonies and territories were developing regional linkages and were less dependent on traditional trading patterns focused on Britain. A new social and political contract was necessary in order to manage the relationships between the British North American possessions and to protect them from a powerful competitive nation to the south. The resulting declaration of legislature rights and duties was as much a response to external forces as to internal ones.

Nations must be outward looking, they must be prepared to develop complex international relationships and to cooperate with other countries.

The original colonies kept control of some economic activities and ceded ones that could be more efficiently managed at the national level to the federal government. Both levels of government used their legislative tools to develop the nation. Regulations, policies and programs were established to nurture indigenous industry. Provinces used their authority to achieve regional and socio-economic development goals. The federal government developed infrastructures such as railways, roads and telecommunications. Where the federal government did not have legislative jurisdiction, spending power was used to achieve specific development objectives.

By 1982, Canada had become a prosperous and dynamic nation, independent of her British roots and ready to take complete responsibility for constitutional issues. A new constitution that mirrored the existing legislative power sharing was produced and repatriated from Britain. The new Act was updated to reflect the needs of a 20th century nation and the final arbitration of disputes was now solely in Canada.

Unfortunately the Province of Quebec did not agree with all of the provisions and did not sign. Over the following

10 years, negotiations have focused on the constitutional concerns of Quebec. At the same time, changes in Canada's social, economic and cultural make-up have prompted the other provinces to identify constitutional changes they feel are necessary. Many groups (i.e. the aboriginal peoples) now feel that formal recognition of their needs is required. The constitutional debate has become one that focuses on internal power struggles rather than on the management needs of a competitive world.

The Future

July 1, Canada Day, commemorates the day 125 years ago when four British Colonies in North America agreed on a common set of principles to manage their societies in an era of changing trade relationships and technological innovation. Over the years, provinces have been created or joined Confederation and the country has continued to develop. In 1992, we must not forget that we are still a trading nation in a changing world. For Canada to prosper, it is essential that we draw up a new constitution that recognizes emerging economic realities. Great debates over the division of legislative powers will be irrelevant if the resulting organizational structure limits the ability of our economy to prosper. Canada risks missing out on a world of opportunities by dwelling on internal constitutional issues rather than the external competition facing us. Any decisions made now should be judged based on the way they will limit or encourage economic prosperity.

INTERNATIONAL

North Atlantic Assembly in Banff, Alberta

In May the majestic scenery of Banff, Alberta was the setting for the North Atlantic Assembly Spring Session. Over 600 delegates and observers came to Alberta to discuss defence and security, economics and politics. The session brought together the 16 member nations of the Assembly with associate members from the eastern European countries of Lithuania, Estonia, Latvia, Poland, Czech and Slovak Federal Republic, Russia, Albania, Bulgaria, Hungary, Romania, Belarus and the Ukraine. The absence of a clearly defined and immediate threat between "East" and "West" gave this session a different tenor than previous ones.

Created in the 1950s, the Assembly is the parliamentary forum of the North Atlantic Alliance. Independent of the North Atlantic Treaty Organization, it serves as a framework in which legislators from member nations meet to discuss and debate issues of common interest.

The purpose of the Assembly is to educate and build consensus. It allows Alliance legislators to convey their national interests and to inform each other of different national and regional perspectives on issues of mutual concern. In this way the Assembly serves as an important link between the Alliance and its member nations' national parliaments. The Assembly also serves as a touchstone for assessing parliamentary and public opinion on Alliance issues.

At this spring's meeting, the discussions were divided amongst several committees. Much attention was focused on the Defence and Security, Economic, and Political Committees. The sessions were intense at times as discussions touched a wide range of positions.

The Defence and Security Committee dealt with the thorny issue of European Security. Emotions ran high as delegates debated NATO's possible role as a European, if not world, police force. Non-interference in the Balkans was often referred to in these debates.

The Economic Committee focused on the GATT Uruguay Round as well as the process of economic change in central and eastern Europe. Sir Peter Emery of the United Kingdom tabled a report on "The Earth Summit and Ozone Depletion." This link between the environment and the economy stimulated immense debate which foreshadowed the Earth Summit in Brazil. The Political Committee grappled with the dynamic transatlantic relationship and a new security policy for the Republic of Hungary.

In the plenary session the Honourable Mary Collins, Canadian Associate Minister of National Defence, gave the keynote address, "Canadian Defence Policy and the future of NATO." U.S. Senator Charlie Rose, President of the North Atlantic Assembly, closed the session with a speech on "The Transatlantic Relationship."

The democratic process of debate enhanced all the sessions. In this regard the delegates from Eastern Europe displayed formidable skills and their candour was well received.

Use plain language

It's important to make yourself understood in the information age

Like most writers, when you compose a letter, a memo, or a report, you probably think about what you want to say. But do you ever start by considering what your readers need to know? That's the idea behind writing in *plain language*.

Plain language is language that communicates clearly and effectively. Plain language uses words and expressions that are familiar to readers, and presents information in a logical order, using a straightforward writing style.

The following is an exaggerated example of gobbledegook and an equivalent in plain language. You be the judge:

It would be an ultimate improvement if the existing precipitation would cease and subsequently revisit this location at some future and more equitable point in the time spectrum.

Rain, rain go away. Come again another day.

There are several reasons for using plain language.

- When we write something for others, it is fundamental that our readers should understand it.
- If readers can understand a document on a first or second reading there are fewer questions to be asked and answered, so time is saved.
- When a legal agreement is written, it can become mangled by legal jargon. We can expect no respect for the law or those who administer it if the law is not written in an understandable way.

Plain language is now the goal of the Alberta government. The timetable states that by December 31, 1992 all correspondence to the public is to be in plain language and by December 31, 1993, all applications and other forms are to be in plain language. And if the bureaucracy can make the change, the rest of us should have no problem.

Managing ethics

Have your decisions ever affected other people? If so, then you have been involved in making moral judgements. Managing ethics is all about making decisions involving moral judgements. This article will not turn anyone into a moral hero but it might help people make better decisions by suggesting a practical model for approaching an ethical dilemma. Consider these scenarios:

- A CEO of a major corporation has to weigh the social and economic pros and cons of implementing a drug testing policy for company employees. Her feelings of moral responsibility to the employees may be in conflict with her responsibility to another party, such as shareholders or the public.
- A manager must decide whether to fire an employee or provide him the opportunity to attend a drug rehabilitation program. His sense of fairness and responsibility to the employee may conflict with company considerations of risk and cost.
- An employee you are considering for a promotion informs you in the strictest confidence that she has tested HIV positive. What effect if any, does this have on your decision?
- Your sales manager "suggests" that you lie to a prospective customer in order to close the sale. What are you going to do?

These are all ethical dilemmas and the solution to them lies in the decision-making process.

In any ethical decision-making process, there can be any number of people to consider. Aside from employers, employees, co-workers, competitors, suppliers, customers, shareholders and the public at large, you have yourself to consider, too. Would you risk professional ostracism and career growth by refusing to perform an unethical task for your employer? Could you afford not to?

The management of ethical issues is underpinned by the twin themes of knowing what is right and doing what is right. Also, there is the distinction between reactive and proactive approaches to the ethical issue. At a base level, people should be able to solve problems that have an ethical dimension. However, they should also work to develop their own proactive sense of how, through their work and career, they can contribute to the pursuit of the highest human values in their organization.

With respect to responding to problems with an ethical dimension, a responsible person should be able to:

- identify the moral demands and expectations involved in a situation or decision,
- apply ethical reasoning to create solutions which balance competing demands and expectations, and do this in a social context such that the diverse views of those involved are brought together for consideration and effective moral action is taken, and
- create and work towards an organizational environment that demands and supports ethical problem solving and action.

Recognize and cultivate relevant moral dispositions. Why? Because ultimately, all people are responsible for how they form their own moral character. Whether intentionally or by accident they form and express their character in their work.

Easier said than done

If the answer lies in the process then the process must be easy to understand and use. The process of ethical inquiry can be thought of as a model of problem solving that accounts for: issues and objectives; analysis; generation and evaluation of alternatives; selection among alternatives; implementation of the decision; and monitoring of the results.

This model is useful because it is understandable. It avoids the level of abstraction normally associated with formal moral reasoning. Admittedly, understanding and evaluation of complex situations usually involve emotions and intuitions. Nevertheless, systematic use of such a model will help to provide easy-to-understand reasons for decisions and a shared framework for involving others in decision making. This system will help to gain support and motivate others.

Managing ethics is an active process rather than a passive, endless, abstract contemplation about the way things might be done. It requires leadership in acknowledging that there are many people involved. It requires making a conscious decision based on thought and dialogue. And it requires a commitment to communicate and justify the decision to the stakeholders. The question is not whether you will ever have to make moral judgements, the question is how to do it well.

INSIDE ALBERTA



Head-Smashed-In Buffalo Jump Interpretive Centre

Designated as a World Heritage Site by UNESCO, Head-Smashed-In is among the oldest, largest and best preserved of hundreds of buffalo jump sites across the western Plains. A *buffalo jump* refers to a hunting technique used by North American Plains Indians that involved herding large numbers of buffalo over a cliff. The site at Head-Smashed-In was primarily used by the Blood and Peigan tribes of the Blackfoot nation. The Interpretive Centre documents the buffalo hunting culture of the Plains Indians from ancient times to the arrival of the Europeans.

About 150 years ago, according to a legend, a young Indian brave wanted to witness the plunge of countless buffalo as his people drove them to their deaths over the sandstone cliffs. Standing under the shelter of a ledge, like a man behind a waterfall, he watched the great beasts cascade past him. But the hunt was unusually good that day, and as the bodies mounted, he became trapped between the animals and the cliff. When his people came to do the butchering, they found him with his skull crushed by the weight of the buffalo. Thus, they named the place "Head-Smashed-In".

Careful consideration was given to the construction of an outstanding interpretive centre built on this historic site to enhance the visual impact of the unique landscape.

Open year-round, the site is the location for many special events, ceremonies and gatherings. An exceptional educational facility, courses and seminars on archaeology and related sciences are offered at the site. Native interpreters share, with the visitors, their perspectives on the heritage site and the contemporary beliefs of their people.

Visitors to Head-Smashed-In, located in southern Alberta 18 km west of highway #2 on secondary highway #785 near Fort Macleod, return time and time again.

If Canada were dense

Canada is a large place with few people. What would it be like if Canada were crowded?

Depending on how you look at it, Canada is either very, very big or very, very small. By area Canada is the second largest nation in the world; only Russia is larger. But by population we are among the world's smallest.

Some delegates at the North Atlantic Assembly Spring Session held in Banff (see page 2) were taken aback by the enormity of the place. If they attended all the scheduled conference events, each visitor at the Spring Session travelled 1,200 kilometres. Canadians seem to take travelling these distances for granted, but for many people, especially the unprepared, it can be an ordeal.

In this land of ten million square kilometres there are only 26 million people. Granted, most of us live within an hour's drive of our southern border but at 246 people per 100 square kilometres, Canada has one of the lowest population densities in the world. Perhaps this is why we have a national obsession with the weather; because the vast distances between us leads us to conclude that every other Canadian has a unique perspective on the climate.

We thought it would be interesting to see how big, in people terms, our nation would be if we became as crowded as the rest of the world. If we were as packed as Hong Kong, for example, there would be some 57 billion Canadians. That would translate into a lot of talk about the weather.

Population densities for select countries

Country	Canada	Hong Kong	Bangladesh	Japan	Germany	China	France	USA
Area sq km	9,970,610	1,071	143,998	377,815	357,046	9,596,961	543,965	9,372,614
Population	26,218,500	5,700,000	114,718,000	123,200,000	78,048,000	1,103,923,000	56,123,000	243,400,000
Density per 100 sq km	263	532,213	79,666	32,609	21,859	11,503	10,317	2,597
Canadian population at other country's density	26,218,500	53,064,871,148	7,943,224,475	3,251,271,527	2,179,512,358	1,146,903,244	1,028,706,893	258,929,523

Source: National Geographic Society, 1990.

The ins and outs of data

Seventy percent of all things typed into computers is actually the output of another computer, according to the Electronic Data Interchange (EDI) Council of Canada. The Council asserts that this is both unnecessary and dangerous. The probability of error occurring when data is keyed in, rather than electronically transferred is much higher.

EDI is now at the stage where the telephone was at the turn of the century. When telephones were first commercially introduced each set had to be physically connected by wire to every other set that the owner might want to call. The impracticality and the cost of this made early phones novelties for the rich. But when central switching networks were developed the phone took off.

Those businesses which still saw it as a novelty were trounced by their forward-looking competitors.

And so it is with EDI. From invoices, to technical designs and specifications, business will use less paper and more fibre optics. Currently, many firms use EDI for internal communications. Many of the internal systems are linking up with outside systems. Soon compatibility between systems will be as common as compatibility between national phone networks.

The EDI Council of Canada advises businesses to investigate EDI now before the competition forces it on them in the future.

INVESTIGATIONS

We hope that our readers find the Investigations column interesting and useful. The information here can be used to contact those researchers that are listed in the entries. Now, don't you think you should let our readers know what research you're working on? The typical spirit of research should not be all take and no give. Get active, start communicating; if you've got an interesting project contact *Inside/Out* - we would be glad to help promote your work.

Government of Canada

"Aboriginal Enterprises" newsletter investigates the people, plans and projects of native economic development in Alberta. It is designed to stimulate awareness of Aboriginal development and foster contacts between aboriginal development groups and other interested groups. The newsletter is currently under review for continuing issues; the pilot project will publish its fourth and last scheduled edition this month. For more information or to order back copies contact Ms. Karen Ward, publisher and writer at (403)439-8299.

University of Alberta

"Canada and World Order" is a book soon to be released by Dr. Tom Keating, Associate Professor of Political Science at the University of Alberta. In his book Keating investigates the evolution of Canada as an international country, identifying its valuable role as a facilitator and the growing indications that the country is currently withdrawing from its international involvement. During a time of expanding internationalism and the forming of a new global community Canada's foreign policy will have long-term effects. For more information telephone Dr. Tom Keating at (403)492-5772.

The Government of the Republic of France

Commissariat Général du Plan

"New Rural Functions and Rural/Urban Relationships" by Marie-Christine Kovacsazy is a paper that observes the changing patterns of urban and rural development. With a

European perspective the paper observes the driving forces behind change in the western world and how these changes can best be met. For more information or a copy of the paper telephone Madame Anne de Montpensier-Budd at (403)427-0741.

Alberta Federal and Intergovernmental Affairs

Called "Rebalancing Federal-Provincial Spending Responsibilities," this paper investigates the level of federal-provincial entanglement that has developed in the administration of tax collection and responsibility for delivery of government services. This document tables future issues for action such as: a new set of fiscal arrangements that more closely matches tax revenue with expenditure responsibility, a reformed constitution that ensures provinces can manage their constitutional responsibilities and a new commitment to cooperation and harmonization of programs. For more information or a copy of this paper telephone Mr. Neil Kirkpatrick, Associate Director of the Policy and Planning Division of Federal and Intergovernmental Affairs at (403)427-6553.

Alberta Forestry

"Alberta Forest Product Exports" is a monthly newsletter mailed to readers in the Alberta wood products industry and numerous trade offices around the world. The purpose of the publication is to stimulate interest among Alberta manufacturers in new export opportunities. Offshore markets frequently offer higher and more stable prices than can be found in North America's very cyclical markets. For more information, back issues or to be put on the mailing list (at no charge) please telephone writer and producer, Mr. David Holehouse at (403)464-3723 or Mr. Al Brennan, Executive Officer at the Forest Industry Development Division at (403)422-7011.

Alberta Economic Development and Trade

"The World Economy in Transition" was the title of a presentation to the Alberta Opportunity Company on May 31, 1992 by the Futures Scanning Group of Strategic Planning and Research Branch. The paper resulting from this presentation is a glimpse into the future of the

dynamic world economy, a world which is rapidly becoming smaller and more intimate but paradoxically more competitive and demanding. Mr. Takashi Ohki and Mr. Vincent Athey have identified the three most dominant forces of change: technological innovation, new capital formation and institutional change, and plotted these elements into the future. For more information or a copy of the presentation paper telephone Mr. Takashi Ohki or Mr. Vincent Athey at (403)427-0741.

"Strategic Alliances and Joint Ventures" is a paper that investigates the rise in popularity of this form of organizational structure, its potential pitfalls and successes as a tool of business strategy. Based on a review of current literature the paper identifies current trends and possible applications of this form of inter-company cooperation. This document would be of value to those involved in or considering entry into a joint venture or strategic alliance, or those that are advising on the formation of such ventures. For more information telephone Mr. James Christianson at (403)427-0741.

"Industrial Clusters" is a project of the Strategic Planning and Research Branch of Economic Development and Trade to develop a model of industrial activity in Alberta, based on the concept of industrial clusters. An industrial cluster is a group of interrelated competitive industries which are exposed to a competitive international

environment through exporting and investment outside their home country. For more information please telephone Mr. David Waldron at (403)427-0741.

"What Albertans Are Saying About Our Economic Future" and "Roundtables on the Future of the Alberta Economy: A Continuing Journey" are summary reports produced by the Government of Alberta and the Banff Centre for Management for the Toward 2000 Together process. Toward 2000 Together is a public consultation process that encourages Albertans to share their views, ideas and opinions on the province's future. The reports summarize the input received through mail outs, presentations and regional public forums. For more information on Toward 2000 Together contact Mr. Shane Pospisil at Alberta Economic Development and Trade, 9th Floor, Sterling Place, 9940 - 106 Street, Edmonton, Alberta, T5K 2P6.

"The Competitiveness Paper" - you read it in our last two issues, now have a copy for yourself. The paper is designed to put substance and meaning behind one of the key business terms of the decade, "competitiveness". As countries seek to improve their living standards the key issues and how they relate to a nation's ability to compete are the topic of this paper. For more information or to receive a copy of the paper telephone Mr. David Waldron (403)427-0741.



ECONOMIC DEVELOPMENT
AND TRADE

9th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta, Canada
T5K 2P6
Phone (403) 427 0741
Fax (403) 427 5922

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